

Organizational Policies

Audit Policies

Overview

The Authority recognizes the importance of achieving an unqualified or "clean" audit opinion on its financial statements from its independent auditors each fiscal year. The audit opinion impacts the ratings assigned by nationally recognized rating agencies on its bond issues and also reflects the financial soundness of the Authority and the fiscal policies that guide its financial management and accounting practices.

As a frequent issuer of tax-exempt bonds, the Authority also understands the critical importance of being able to provide its audited financial statements on a timely basis to financial market participants including rating agencies, underwriters and investors.

General Considerations

In order to achieve and maintain the unqualified audit opinion each fiscal year, Authority staff will take the following steps:

1. Maintain all accounting records in accordance with applicable Governmental Accounting Standards Board (GASB) pronouncements.
2. Seek professional advice as appropriate in recording complex and unusual transactions.
3. Maintain year-round communication with independent auditors and provide them with all necessary documents and schedules as agreed in order to complete the audit efficiently and on schedule.
4. Take necessary steps to ensure that the State Auditor's approved contract is in place prior to commencement of any audit fieldwork performed by the auditors.
5. Contract with an accounting firm whose work will be directed by the Audit Committee, to provide internal audit services to further enhance the quality of accounting records and minimize the possibilities of reportable findings by the external auditors.
6. Meet with the Audit Committee monthly to report on issues concerning financial reporting and audit matters. The external and internal auditors should also meet with the Audit Committee as appropriate to report on the progress of their work and to bring any issues they may have to the attention of the Committee.
7. The Audit Committee will report to the full Authority Board on all matters discussed in Committee meetings.

In carrying out this policy, the Authority will achieve the following goals:

1. An unqualified audit opinion each fiscal year, with no reportable and unreportable findings.
2. Complete the annual audit and file the audited financial statements with the State Auditor as soon as practical each year. The goal for filing with the Auditor will vary from year to year depending on circumstances, but should not be later than November 15.

Accounting for Legislatively Authorized Programs and the use of Interest Income from Funds Appropriated by the Legislature.

Overview

The Authority, from time to time, is called upon by the State Legislature to manage and administer certain legislatively authorized programs. In order to carry out its mandate, the Authority must ensure that it will have available the funds necessary to effectively manage and administer these legislative initiatives. This policy will govern the use of interest income that is earned from legislative appropriations in order to carry out the management and administration of these programs.

General Considerations

The following steps will be taken in order to effectively use the interest earnings from legislatively approved appropriations for programs managed and administered by the Authority:

1. Staff will analyze all legislation relating to programs and appropriations to ensure that there is no language in the authorizing legislation strictly prohibiting the Authority from using the interest income for funding the general administration of a program.
2. All appropriations will be held in separate accounts created solely for each program and will not be commingled with the funds from any other account.
3. Accounting records detailing all transactions within the fund will be maintained and reconciled on a monthly basis.
4. Interest earnings of the fund will be posted on a monthly basis.
5. Adequate and detailed records of the expenses incurred by a program will be maintained by the Authority and reconciled on a monthly basis.
6. The general operating fund of the Authority will be